convincing. Sir Edward wants only one account, because he thinks the consequence would be a stronger reserve and fewer changes in bank rate. But a mere change of book-keeping such as the amalgamation of the two accounts would not make a half-pennyworth of difference to the extent of the Bank's responsibilities and its ability to meet them, and it is on variations in these factors that movements in bank rate are in most cases decided. On the other hand, Lord Cunliffe and his colleagues argue that the main effect of putting the two departments into one would be to place deposits with the Bank of England in the same position as regards convertibility into gold as is now held by the note. On this point Sir Edward's answer is telling : "In reply to this statement, I say that the depositors at the present time can always get gold by drawing out notes from the reserve and taking gold from the Issue Department. There seems to be little difference between the depositors attacking gold direct and attacking the gold through the notes in the reserve. If the Bank cannot pay the notes when demanded the whole machinery stops." Quite so. The notion that the holder of a Bank of England note has now a stronger hold over the Bank's gold than the depositor seems to be baseless. He can exercise his hold more quickly perhaps, though even

this is doubtful. Since banknotes are not legal tender at the Bank of England, it is not quite clear that the depositor would even have to take the trouble to go first to the Banking Department for notes and then to the Issue Department for gold.